

Year 7— Money

How can I make responsible choices with money?

There are steps that can be taken to reduce risks around decision making and ensure you are informed.

For example....

1. Ensure you use reliable sources that are not biased – for example, citizens advice. Use a variety of sources.
2. Consider both short and long term consequences
3. Take time to weigh up the pros and cons. Think about the risks involved and who the decision affects.

What is identity theft?

It is important to think carefully about what is posted online. Sharing too much personal information can allow someone to build up a picture of your identity – who you are. They might try and use this information to get out of paying for something themselves!

The risk of identity theft can be reduced by:

- Having secure passwords
- Not accessing personal information (eg: online banking) if using public Wi-Fi
- Making sure photos don't include private information – eg:
Your bank details
- Password protecting all devices
- Using antivirus software

What are the impacts of my purchases?

It is important to be aware of the impacts of the things we buy. The things you purchase might affect....

Those involved in producing the product, employees of the business it was brought from, rival businesses, the environment, etc...

Avoiding fraud

-Fraud is when trickery is used to gain a financial advantage over someone. There are different kinds of fraud, for example:

1. Identity theft
2. Phishing – tricking someone into providing

To reduce the risk of fraud, it is helpful to be suspicious of people you don't know who contact you. Be aware of anything that seems odd. End the communication if you feel uncomfortable and speak to a trusted adult or the police.

Cross Curricular Links:

Maths – percentages, counting money

How do I plan for a big purchase?

-Sometimes you might consider a big purchase. This can be a *need* (like a car) or a *want* (like a holiday). It is helpful to think carefully about big purchases. For example:

- Should I pay in instalments?
- What are the ongoing and upfront costs?
- Is the insurance worthwhile?
- You can use apps and services provided by your bank to help you manage your money





What is interest?



When someone saves with a bank, the bank pays them a little extra. When someone borrows from a bank, they pay back a little extra.

This extra is called interest

When interest rates are high, people might choose to save more and borrow less.

For example, a factory owner may choose to borrow money for better equipment when interest rates are low.

Similarly, when interest rates are low people might choose to save less and borrow more.

Key words:
Bank of England- The UK's central bank, responsible for keeping the economy healthy

Bank rate- The interest rate set by the bank of England.

Bias- Something is biased when it shows something in an unfairly positive or negative way

Budget- A list of income and outgoings over time, or an amount of money available

Consumer- Someone who buys goods and services

Debt- Money you owe. It can be manageable or unmanageable.

Economy- The systems of making money and distributing goods in a country

Fraud- The illegal use of deception for financial gain (sometimes called a 'scam')

Identity theft- Falsely using another person's personal details for financial gain

Interest rate – The rate by which interest is calculated. For example, a loan of £1000 on an interest rate of 5% would incur interest of £50 per year.

Loan- Money borrowed, usually from a bank

Money personality – Your thoughts and behaviour around money – for example, do you save or spend?

Sources of support – who can you talk to about money matters:

-Family and friends

-Teachers, your tutor and other school staff

-Childline – a charity that gives young people a chance to talk privately about any worries they have, 24/7. 0800 1111

-Citizens advice - An organisation that offers free advice around a number of issues – e.g.: financial, legal, family, work, housing

Bible quote:

Sit down and estimate the cost (Luke 14:28)

“Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?”